

# CITIZENS' WATER ADVISORY COMMITTEE (CWAC)



Wednesday, April 1, 2015, 7:00 a.m.  
Director's Conference Room  
Tucson Water, 3<sup>rd</sup> Floor  
310 W. Alameda Street, Tucson, Arizona

## Summary Minutes

### 1. Roll Call:

The meeting was called to order by CWAC Chair, Brian Wong at 7:03 a.m. Those present and absent were:

#### Present:

Brian Wong	Chairperson, Representative, City Manager
Mark Murphy	Representative, Mayor
Jean McLain	Representative, City Manager
Catlow Shippek	Representative, City Manager (arrived at 7:02 a.m., directly after roll call)
Mitch Basefsky	Representative, City Manager
Placido dos Santos	Representative, City Manager
Chuck Freitas	Representative, City Manager
Mark Taylor	Representative, City Manager
Alan Tonelson	Representative, Ward 1
Amy McCoy	Representative, Ward 2
Bruce Billings	Representative, Ward 3
Mark Lewis	Vice Chair, Representative, Ward 5
Kelly Lee	Representative, Ward 6
Alan Forrest	Tucson Water, Director, Ex-Officio Member

#### Absent:

George White	Representative, Ward 4
Jackson Jenkins	Pima County Regional Wastewater Reclamation Department Director, Ex-Officio Member

#### Tucson Water Staff Present:

Sandy Elder	Deputy Director
Jeff Biggs	Interim Deputy Director
Andrew Greenhill	Intergovernmental Affairs Manager
Chris Rodriguez	Water Administrator
Melodee Loyer	Water Administrator
Pat Eisenberg	Water Administrator
Britt Klein	Water Administrator
Fernando Molina	Water Program Supervisor
Daniel Ransom	Water Conservation Supervisor
Jane Slama	Water Operations Superintendent
Wally Wilson	Chief Hydrologist
Peter Chipello	Lead Hydrologist
Candice Rupprecht	Public Information Specialist
Johanna Hernandez	Staff Assistant
Kris LaFleur	Staff Assistant

#### Others Present:

Chris Avery	City of Tucson, Attorney's Office
Amy Stabler	City of Tucson, Ward 6
Michael Block	Metro Water
Ryan Lee	University of Arizona
Julie Brugger	Citizen

## **Citizens' Water Advisory Committee (CWAC)**

### **Summary Minutes**

April 1, 2015

2. **Announcements** – Member Lee informed the Committee of a memorandum regarding the requested Internal Audit in relation to the Administrative Service Charges, the topic will be addressed during the course of the meeting. Member Basefsky notified the Committee that David Modeer will be retiring from CAP effective April 30<sup>th</sup>. No interim has been announced yet; however, a national search will be held for a new General Manager. Member McLain reminded the Committee of the upcoming WRRRC presentation the Committee was previously noticed on. Member McLain and Director Forrest encouraged members to attend if they are able.
3. **Call to Audience** – No action taken.
4. **Review of March 4, 2015 Legal Action Report and Meeting Minutes** – Committee Member Tonelson motioned to approve the Meeting Minutes of March 4, 2015. Member Freitas seconded. Motion passed unanimously by a voice vote of 13-0.
5. **Director's Report** –
  - a. **Mayor and Council Items** – On April 7<sup>th</sup> the Mayor and Council will be considering a wheeling agreement between Tucson Water and Metro. This agreement, which has already been approved by Metro's board, is similar to other Tucson Water wheeling agreements. On the same agenda, Mayor and Council will hear discussion on the rate schedule and consider the notice of intent to set the public hearing.
  - b. **Department Updates** – Tucson Water currently has 51 vacancies, 16 active recruitments and 4 pending new hires.
  - c. **Informational Items** – Director Forrest reported on the status of the Committee's request for costs associated with an independent audit of the administrative service charges model. Replacement of the current model will likely cost a couple hundred thousand dollars; review of the current model will likely cost around fifty thousand dollars. Council Member Kozachik has requested that the Independent Audit and Performance Commission (IAPC) consider performing this internal audit, the Director had no objection to this option, and Member Lee provided some additional information on the IAPC make-up and process.

Tucson Water was noticed that the terms for Members Freitas and Shipek have nearly expired, and both members expressed a desire to continue service. Tucson Water has submitted the necessary paperwork to extend their terms. The City Manager's Office has concurred with the requests for reappointment, and the reappointments will be placed on an upcoming Mayor and Council agenda for ratification.
6. **Subcommittee Reports** –

**Technical, Policy, and Planning Subcommittee** – Subcommittee Chair Murphy reported on recent presentations the Subcommittee received from the University of Arizona on research and also on the status of Inter-AMA firming.

**Finance Subcommittee** – Subcommittee Chair Billings reported that the Subcommittee has not met since the last CWAC meeting.

**Conservation and Education Subcommittee** – Subcommittee Chair Amy McCoy reported that the Subcommittee will be meeting at 3pm on Wednesday April 8<sup>th</sup>; they will be discussing the Strategic Plan and new programming.

**RWRAC Update** – Member Taylor reported that adoption of the RWRAC Financial Plan, incorporating a rate increase, has been delayed pending responses to Board questions. RWRAC is also discussing the County's plans for sewer infrastructure in the Aerospace Corridor.
7. **Factors in Municipal Water Uses** – Mr. Gary Woodard provided a PowerPoint presentation on factors in municipal water uses. Mr. Woodard reported that national water demand has been dropping steadily, despite population growth, since the late 1980's. Causes of decreased demand, consequences of

## Citizens' Water Advisory Committee (CWAC)

### Summary Minutes

April 1, 2015

decreased demand and future considerations were discussed, with a focus on municipal uses. Drops in demand resulted in decreased revenues for water utilities, over-production of infrastructure, and decreased desire for conservation. Sustained decreases resulted in the need for long-term forecasting and attempts at establishing a new normal. Initial forecasting was based upon population projections, was overly conservative, focused on short-term events, and did not properly address long-term trends. Additionally, too much of the decrease was credited to conservation programs. Fiscal, operational, planning, and perception challenges associated with decreased demands for municipal water users were discussed. Mr. Woodard's study focused on three factors affecting municipal water demand: Changing Tastes (pools, landscapes, new homes), Changing Socio-demographics (composition of households, seasonal residents), and Efficiency Standards (federal mandatory, federal voluntary and neighboring state effects). The study relied upon existing reliable data, and focused on changes and triggers of change. The resulting dynamic model focuses on significant changes in single family residential demand and allows for measuring the effect of multiple variables. Various possible reasons for long-term decreases in demand were discussed. Fixtures and appliances are averaging less water use than their maximum rates. Use of turf and swimming pools are decreasing, whereas use of artificial turf, xeriscape, and efficiency of fixtures and appliances are increasing. Multiple triggers for changes in water use, such as new home owners, and replacement of fixtures, appliances and landscapes that are no longer functional, were discussed. Downward trends for water use of washing machines, toilets and showers were discussed. Trends reflect showers have the most room for improvement for indoor water use. Generally, domestic demand is most affected by the efficiency of new homes, passive conservation, and active conservation efforts. Water demand is not tied to population, economy, conservation or quality of life, as it once was. Discussion on what these results might mean for municipal water users was held.

Member Taylor & McCoy departed at 7:55 a.m.

Member Lee departed at 7:55 a.m. and returned at 7:58 a.m.

Member McLain departed at 8:13 a.m. and returned at 8:16 a.m.

Director Forrest departed at 8:29 a.m. and returned at 8:31 a.m.

8. **Isolated Systems Update** – Tucson Water staff member Melodee Loyer presented a PowerPoint on Tucson Water's Isolated Systems: Silverbell, Rancho Del Sol Lindo, Valley View Acres, Sierrita Foothills Estates, Diamond Bell Ranch, Vista Catalina, Thunderhead Ranch, and Santa Rita Bell Air. Ms. Loyer provided a summary of purchase, services, demands and water rights associated with each of the eight isolated systems discussed. Each system was reviewed in terms of revenues, cost, asset value and market value. Brief discussion was held regarding how the asset value and market value numbers were calculated. Each system was evaluated in regards to if the system pays for itself, if it can be reasonably connected to the central system, and to whom Tucson Water could possibly sell the system. Santa Rita Bell Air and Diamond Bell systems pay a separate connection fee. Overall, the isolated system revenues represent 1.4% of total Tucson Water revenues, the isolated system water use represents 1.06% of the total system use, and the isolated systems represent 6.4% of non-renewable water use. Tucson Water has an established policy for water system acquisition, and has a draft policy for water system divestment. Tucson Water is not actively pursuing the sale of the systems, but has been approached with a proposal to purchase all of the systems in a bundle. Steps are being taken to evaluate this proposal, though ultimately any sale would go through the standard procurement process.

Member Shipek departed at 8:43 a.m. and returned at 8:45 a.m.

Member Freitas departed at 8:45 a.m. and returned at 8:48 a.m.

9. **2014 Pumpage and Storage Roundup** – Tucson Water staff member Wally Wilson provided a PowerPoint presentation on water production for the Tucson Water service area. Graphs represented historic water production for Tucson Water. Total water production in 2014 was 111,459 AF with 79% being CAP, 11% being Reclaimed, 5% Ground Water and 5% TARP. Gallons per capita per day (GPCD) calculations reflected a continued decline in total, total potable, and residential potable demand. Additionally, lost and unaccounted for water has decreased continuously to a low of 7.94%.
10. **Consideration of Formation of Bill Re-Design Ad-Hoc Subcommittee** – Member Freitas commented on the various aspects of the current bill design that he believes need to be focused on. Member Billings noted his concerns regarding consistent billing practices. Vice Chair Lewis informed the Committee that the C&E Subcommittee would also like to have a voice in the redesign of the bill. Member Murphy

## **Citizens' Water Advisory Committee (CWAC)**

### **Summary Minutes**

April 1, 2015

motioned for the formation of an Ad-Hoc Subcommittee, seconded by Member Freitas. The motion was amended to include the nomination of Members Tonelson, Freitas, Billings, Shipek and Taylor, with Member Tonelson as Chair. The motion, as stated and amended, was passed by a roll-call vote of 10-0.

Member McLain departed at 9:00 a.m.

Member Lee 9:06

**10. Future Meetings/Agenda Items** – See projected agenda.

**11. Adjournment** – Meeting was adjourned at 9:08 a.m.

Approved 5/6/15.